

Testimony Of Michigan Chemistry Council On HB 4561

Before The Senate Regulatory Reform Committee

April 26, 2012

Mr. Chairman, Members of the Committee

Good Afternoon

My name is Bill Lievense and I am here today representing the Michigan Chemistry Council.

Our member companies employ over 28,000 people in Michigan directly ----and indirectly support another 88,000 jobs in our state. Over 96% of all manufactured goods are directly touched by the business of chemistry, making our industry an essential part of every facet of Michigan's economy.

The Michigan Chemistry Council opposes HB 4561, which would extend the period of time for updates to Michigan's building code from 3 to 6 years.

As you have heard from several of our Michigan member companies, the delay will adversely impact both manufactures and consumers.

I would like to step back for a moment and take a critical view of the problem, the proposed solution, and how the proposed solution will impact various parties.

Frankly, I haven't heard a clear articulation of the problem to be remedied here. Is it cost? Is it bureaucracy and red tape? Is it unnecessary delay?

If the problem is cost and time associated with a 3 year code update cycle, let's take a closer look at that for a moment:

- I do not believe that purchase of an updated \$81 code book every three years is an unreasonable cost burden, especially when the homebuilders supported a recent new law imposing a three year licensing cycle for residential builders with a fee of \$150 and a continuing education requirement with a course fee of \$50-\$60 per person. And by the way, possession of a current code book is required as a condition of the getting course credit ---so everyone must buy an updated codebook regardless---- and that is a good thing---every builder should have one. (Allegations are \$10.6+ million in costs but the actual cost according to ICC for residential code books is about \$200,000.)

I also don't believe that it is an undue burden of time on builders to have updates to the code every three years. During the 3-year licensing cycle (depending upon when you secured your builders license), the State requires 3-6 hours of classroom time and designates the course of study to include: 1 hour of building codes and laws related to the licensed occupation, 1 hour of safety, and 1 hour of changes in construction and business management laws. At the House

Regulatory Reform Committee hearing on HB 4561, one of the representatives from the homebuilders testified there are "few substantive changes" in the code with each revision. Therefore, these changes can easily be incorporated into the mandatory 1 hour code update in the continuing education curriculum.

I haven't heard any issues with the building community about bureaucratic delay or red tape---quite the contrary the burden and red tape is now placed upon the manufacturers who have to take extraordinary steps to get their products approved during a 6 year---rather than 3 year update cycle.

While I appreciate the effort to incorporate language at the end of the substitute bill that seeks to address the concerns of manufacturers about getting their technology into the marketplace sooner than every 6 years, I don't believe the language does the job.

In reality, local building code officials will not be inclined to look to interim editions of the code for so-called updates that are "acceptable" but not "mandated." I foresee logistics and communication challenges in implementing interim code updates as proposed. Are manufacturers supposed to deal with hundreds of local code officials one-on-one on a case by case, product by product basis? How are we going to release and communicate these interim updates? There are too many unknowns and huge potential costs here for manufacturers.

Also, if you read the language carefully, the interim code language submitted by homebuilders at the end of H-1 only comes into play when the code is updates on a 6-years cycle, but not if it is updated on a 3 year cycle---making this even more difficult and confusing. Finally, different codes could have different cycles (residential, mechanical, plumbing code, commercial, energy code etc.) making it all the more confusing.

And I don't understand how the homebuilders can characterized this process as automatic---there is nothing automatic about it.

A couple of additional points before closing:

First, there is a perception that when a code is updated the state must take all of it as published. This is just not true. Florida does not incorporate roof snow loads and Michigan doesn't incorporate hurricane standards in their codes.

Second, the 2009 code was finally adopted in Michigan in the Spring of 2011. If we require there be no updates to the code for six years, we are looking at somewhere around 2018 for the soon-to-be published 2012 code to be adopted. Look at what technological changes have taken place in the last few years alone---from "flip phones" to "smart phones." Are you going to purposefully postpone the opportunity to put new, safer and better technology in Michigan homes and buildings for 6 years at a time?

Third, proponents suggest Michigan's code could still be updated sooner than 6 years under the bill language. I disagree. More likely, the very passage of this bill will be taken as the Legislature's specific direction to do it no sooner than every 6 years.

There is logic to the current law requiring code revisions not less than every 3 years because it coincides nicely with the 3-year update cycle for national code revisions.

Ironically, the real regulatory harm here is to Michigan manufacturers who face delay in getting their products into the marketplace and to Consumers & Institutions (like schools) who want to take advantage of the latest energy saving and safety technology---not the home building community.

In summary, the stated problem of cost is just not compelling, the prescribed solution does more harm than good---to both manufacturers and consumers, and there is no real "regulatory reform" issue to be addressed-----no huge cost, no delay, no regulations out of sync with other states, etc.

In the end, all of this could potentially result in it being more costly and burdensome to code officials and manufacturers than the current situation----not saving any money and creating more bureaucracy.

Therefore, I would respectfully ask you to vote no on HB 4561.

The Michigan Chemistry Council would like to thank the committee for its consideration of our comments on HB 4561.